



NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-387, 50-388, and 72-028; NRC-2022-0185]

In the Matter of Susquehanna Nuclear, LLC;

Susquehanna Steam Electric Station, Units 1 and 2

and the Associated Independent Spent Fuel Storage Installation

AGENCY: Nuclear Regulatory Commission.

ACTION: Indirect transfer of licenses; order.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an order approving the application filed by Susquehanna Nuclear, LLC (Susquehanna Nuclear), on behalf of itself and the unsecured creditors of Talen Energy Supply, LLC, on September 29, 2022, as supplemented. Specifically, the order approves the indirect transfer of control of Susquehanna Nuclear's interests in the operating licenses for the Susquehanna Steam Electric Station (Susquehanna), Units 1 and 2 and the general license for the Susquehanna independent spent fuel storage installation, and conforming administrative amendments to the operating licenses.

DATES: The order was issued on March 30, 2023, and is effective for 1 year.

ADDRESSES: Please refer to Docket ID **NRC-2022-0185** when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document by using any of the following methods:

- **Federal Rulemaking Website:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2022-0185**. Address questions about Docket IDs in Regulations.gov to Stacy Schumann; telephone: 301-415-0624; email: Stacy.Schumann@nrc.gov. For technical questions, contact the individual listed in the "For Further Information Contact" section of this document.

- **NRC's Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly available documents online in the ADAMS Public

Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by email to PDR.Resource@nrc.gov. The order, the NRC staff safety evaluation supporting the order, and the draft conforming amendments are available in ADAMS under Package Accession No. ML23073A126.

- **NRC's PDR:** You may examine and purchase copies of public documents, by appointment, at the NRC's PDR, Room P1 B35, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Audrey L. Klett, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-0489; email: Audrey.Klett@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the order is attached.

Dated: March 31, 2023.

For the Nuclear Regulatory Commission.

Audrey L. Klett, Senior Project Manager,
Plant Licensing Branch I,
Division of Operator Reactor Licensing,
Office of Nuclear Reactor Regulation.

Attachment – Order Approving Indirect Transfer of Licenses and Draft Conforming License Amendments

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of)	
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)	
SUSQUEHANNA NUCLEAR, LLC)	
)	
(Susquehanna Steam Electric Station, 72-28)	Docket Nos. 50-387, 50-388, and
Units 1 and 2 and the associated)	
independent spent fuel storage)	Renewed License Nos. NPF-14 and
installation))	NPF-22

ORDER APPROVING INDIRECT TRANSFER OF LICENSES AND
DRAFT CONFORMING LICENSE AMENDMENTS

I.

Susquehanna Nuclear, LLC (Susquehanna Nuclear) and Allegheny Electric Cooperative, Inc. are the holders of Renewed Facility Operating License Nos. NPF-14 and NPF-22 and the general license for the independent spent fuel storage installation (ISFSI) (collectively, the licenses), which authorize the possession, use, and operation of the Susquehanna Steam Electric Station (Susquehanna), Units 1 and 2 and the Susquehanna ISFSI, respectively (the facilities). The facilities are located in Luzerne County, Pennsylvania.

II.

Pursuant to title 10 of the *Code of Federal Regulations* (10 CFR) section 50.80, “Transfer of licenses,” and 10 CFR 72.50, “Transfer of license,” and by letter PLA-8015 dated September 29, 2022, as supplemented by letters PLA-8032, PLA-8039, and PLA-8057 dated October 28, 2022, December 22, 2022, and March 15, 2023, respectively (the application), Susquehanna Nuclear, on behalf of itself and the unsecured creditors (as described in the application) of Talen Energy Supply, LLC (Talen Energy Supply) (collectively, the applicants), requested that the U.S. Nuclear Regulatory

Commission (NRC, the Commission) consent to the indirect transfer of control of Susquehanna Nuclear's interests in the licenses. The applicants requested that the NRC consent to this indirect license transfer to support a proposed transaction in which Susquehanna Nuclear would continue to be directly owned by Talen Energy Supply, but which, in turn, would be directly owned by an as-yet unnamed new parent company identified herein as Reorganized Talen Energy Corporation. Pursuant to 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit," the applicants also requested that the NRC approve conforming administrative amendments to the licenses to reflect a change in the entity (i.e., from Talen Energy Corporation to Talen Energy Supply) responsible for providing a financial support agreement to Susquehanna Nuclear, as well as related editorial changes and changes regarding the investment of decommissioning trust funds, with such amendments to be effective at the consummation of the proposed transaction.

Susquehanna Nuclear is a direct, wholly-owned subsidiary of Talen Energy Supply. Talen Energy Supply is a direct, wholly-owned subsidiary of Talen Energy Corporation, the stock of which is held by affiliates of Riverstone Holdings, LLC. Commencing on May 9, 2022, Talen Energy Supply and certain of its subsidiaries (collectively, the debtors) each filed a voluntary case under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. Also on May 9, 2022, the debtors executed a restructuring support agreement with certain holders of the debtors' unsecured notes. On September 9, 2022, the debtors, including Susquehanna Nuclear, filed a Joint Plan of Reorganization (the Plan) and related Disclosure Statement in the Bankruptcy Court. Under the terms of the Plan, along with certain supporting settlements and agreements, the debtors and Talen Energy Corporation intend to pursue a comprehensive restructuring pursuant to a debt-for-equity exchange in which the equity of the ultimate direct and indirect parent of Reorganized Talen Energy Corporation will be distributed to holders of unsecured notes claims and general unsecured claims (together, the unsecured creditors) and to eligible

unsecured creditors that participate in a rights offering, through which such unsecured creditors can obtain additional shares of common equity in Reorganized Talen Energy Corporation (the Equitization Transaction), while allowing for an alternative transaction on certain terms, should one materialize. The Bankruptcy Court confirmed the Plan on December 15, 2022. The applicants also notified the NRC that the parent of Talen Energy Supply, Talen Energy Corporation, has itself filed a voluntary case under chapter 11 of title 11 of the United States Code, which is jointly administered with its subsidiary debtors' chapter 11 cases.

Pursuant to the restructuring support agreement, the debtors have agreed to move forward expeditiously with the confirmation and consummation of the Plan, and to be subject to certain milestones, including an effective date of the Plan by no later than May 9, 2023 (subject to a potential six-month extension). The applicants expect that at the conclusion of the proposed transaction, Susquehanna Nuclear will continue to be directly owned by Talen Energy Supply, which, in turn, will either be, or be directly owned by, Reorganized Talen Energy Corporation.

As a result of the Equitization Transaction set forth in the Plan, ownership, in the form of common equity shares in Reorganized Talen Energy Corporation will be spread among certain unsecured creditors, a class which involves numerous entities, only four of which are likely to exceed 5-percent ownership, and only three of which are likely to exceed 10-percent ownership. No single holder is expected to hold in excess of 25 percent of Reorganized Talen Energy Corporation, and no holders will have any special control rights over either Reorganized Talen Energy Corporation, Talen Energy Supply (to the extent another entity serves as Reorganized Talen Energy Corporation) or Susquehanna Nuclear.

On November 8, 2022, the NRC published a notice of consideration of approval of the application in the *Federal Register* (87 FR 67511). This notice provided an opportunity to comment, request a hearing, and petition for leave to intervene on the application. The NRC did not receive any written comments in response to the notice.

On November 28, 2022, Eric J. Epstein submitted a petition for leave to intervene and hearing request; on March 17, 2023, the Commission denied this petition and hearing request and terminated the proceeding (Memorandum and Order CLI-23-01).

Pursuant to 10 CFR 50.80, no license for a utilization facility, or any right thereunder, shall be transferred, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing. Pursuant to 10 CFR 72.50, no license or any part included in a license issued under 10 CFR part 72 for an ISFSI shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing. Upon review of the information in the application, as supplemented, and other information before the Commission, and relying upon the representations contained in the application, the NRC staff has determined that Susquehanna Nuclear is qualified to hold the licenses, to the extent described in the application, and that the transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition set forth below.

Upon review of the information in the application, as supplemented, for conforming license amendments to reflect the transfer, the NRC staff has determined that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

The findings set forth above are supported by an NRC staff safety evaluation dated the same date as this order, which is available at Agencywide Documents Access and Management System (ADAMS) Accession No. ML23073A107 (non-proprietary).

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act

of 1954, as amended, 42 U.S.C. §§ 2201(b), 2201(i), and 2234; and 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, IT IS HEREBY ORDERED that the application regarding the proposed indirect license transfer, as described herein, is approved, subject to the following condition:

At least 5 business days before the planned closing of the proposed transaction, the applicants shall submit, signed under oath or affirmation, the following information to the NRC in accordance with 10 CFR part 50:

- (1) the final legal entity name of Reorganized Talen Energy Corporation;
- (2) the state of incorporation and address for Reorganized Talen Energy Corporation; and (3) the names, addresses, and citizenship of the directors and principal officers of Reorganized Talen Energy Corporation.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed transaction, the applicants shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt no later than 5 business days prior to the planned closing of the proposed transaction. Should the proposed transaction not be completed within 1 year of the date of this order, this order shall become null and void, provided, however, that upon written application to the Director of the Office of Nuclear Reactor Regulation and for good cause shown, such date may be extended by order. The condition of this order may be amended upon application by the applicants and approval by the NRC.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the license amendments that make changes, as indicated in Enclosure 2 to the letter forwarding this order, to reflect the subject indirect transfer, are approved. The amendments shall be issued and made effective when the proposed indirect transfer actions are completed.

This order is effective upon issuance.

For further details with respect to this order, see the application dated September 29, 2022 (ML22272A603), as supplemented by letters dated October 28, 2022, December 22, 2022, and March 15, 2023 (ML22301A204, ML22356A306, and

ML23074A336, respectively), and the associated NRC staff safety evaluation dated the same date as this order. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <https://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC Public Document Room reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by email to pdr.resource@nrc.gov.

Dated: March 30, 2023

FOR THE NUCLEAR REGULATORY
COMMISSION.

/RA/

Jamie M. Heisserer, Deputy Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.

[FR Doc. 2023-07073 Filed: 4/4/2023 8:45 am; Publication Date: 4/5/2023]